



**Certified Public Accountants, A.C.**

**FREDERICKTOWN COMMUNITY FIRE DISTRICT  
KNOX COUNTY  
Agreed-Upon Procedures  
For the Years Ended December 31, 2017 and 2016**

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# Dave Yost • Auditor of State

Board of Trustees  
Fredericktown Community Fire District  
139 Columbus Road  
Fredericktown, Ohio 43019

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Fredericktown Community Fire District, Knox County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2016 through December 31, 2017. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Fredericktown Community Fire District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 23, 2018

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FREDERICKTOWN COMMUNITY FIRE DISTRICT  
KNOX COUNTY

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

June 29, 2018

Fredericktown Community Fire District  
Knox County  
139 Columbus Road  
Fredericktown, Ohio 43019

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of **Fredericktown Community Fire District**, Knox County (the District) and the Auditor of State on the receipts, disbursements and balances recorded in the District's cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. The sufficiency of the procedures is solely the responsibility of the parties specified in this report.

Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

### Cash

1. We recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in Balance Sheet to the December 31, 2015 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We also agreed the January 1, 2017 beginning fund balances recorded in Balance Sheet to the December 31, 2016 balances in the Balance Sheet. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the Balance Sheet. The amount recorded on December 31, 2017 Balance Sheet is \$530,457.75, however, the amount per the December 31, 2017 bank reconciliation is \$532,311.94. We identified the difference was due to the District issuing checks after the bank reconciliation was performed and posting them as written in December 2017. We noted no other exceptions.

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**Cash (Continued)**

4. We confirmed the December 31, 2017 bank account balances with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions. However, we noted the District had several reconciling debits totaling \$613.77 that were over one year old. We recommend the District investigate these and take appropriate action.
  - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were no exceptions.
6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2017 bank reconciliation:
  - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
  - b. We agreed the credit amounts to the Profit and Loss Detail Report. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We traced interbank account transfers occurring in December of 2016 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.

**Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the *Statement*) for 2017 and one from 2016.
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Profit and Loss Detail Report. The amounts agreed.
  - b. We inspected the Profit and Loss Detail Report to confirm the receipt was allocated to the proper fund as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We inspected the Profit and Loss Detail Report to confirm the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Profit and Loss Detail Report to determine whether it included two real estate tax receipts for 2017 and 2016. The Profit and Loss Detail Report included the proper number of tax receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2017 and all from 2016. We also haphazardly selected all receipts from the Knox County Auditor's Voucher Inquiry Report from 2017 and all from 2016.
  - a. We compared the amount from the above reports to the amount recorded in the Profit and Detail Report. The amounts agreed.
  - b. We inspected the Profit and Loss Detail Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
  - c. We inspected the Profit and Loss Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.



**Debt**

1. The prior agreed-upon procedures documentation, disclosed no debt outstanding as of December 31, 2015
2. We inquired of management, and inspected the Profit and Loss Detail Report for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. There were no new debt issuances, nor any debt payment activity during 2017 and 2016.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2017 and one payroll check for five employees from 2016 from the Payroll Summary Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Journal to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
  - b. We inspected the Profit and Loss Detail Report to determine the fund and account code to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2017 to confirm remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2017. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2018	December 29, 2017	\$ 1,935.62	\$ 1,935.62
State income taxes	January 15, 2018	January 8, 2018	\$ 327.93	\$ 327.93
OPERS retirement	January 30, 2018	December 29, 2017	\$ 160.00	\$ 160.00

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Profit and Loss Detail Report for the year ended December 31, 2017 and ten from the year ended 2016 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in Profit and Loss Detail Report and to the names and amounts on the supporting invoices. We found no exceptions.
  - c. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.41(D). We found no exceptions.

### Compliance – Budgetary

1. We attempted to compare the total estimated receipts from the amounts on the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Profit and Loss Detail Report; however, the District did not record budgeted (i.e. certified) resources for 2017 or 2016 in Quickbooks. Ohio Admin. Code 117-2-02(C)(1) states in part that all local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances. The Clerk should record budget resources and periodically compare amounts recorded in the Profit and Loss Detail Report to amounts recorded on the *Certificate of the Total Amount From All Sources Available for Expenditures and Balances* to assure they agree. If the amounts do not agree, the Board may be using inaccurate information for budgeting and monitoring purposes. We recommend that the District record the budgeted amounts in the Profit and Loss Detail Report and compare the amounts to the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, and use this as a tool to monitor estimated receipts versus actual receipts throughout the year.
2. We inspected the appropriation measures adopted for 2017 and 2016 to determine whether, the Trustees appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the District Budget Report for 2017 and 2016. The amounts on the appropriation resolutions agreed to the amounts recorded in the District Budget Report.
4. Ohio Rev. Code Sections 5705.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the years ended December 31, 2017 and 2016. There were no funds for which appropriations exceeded certified resources.
5. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2017 and 2016 as recorded in the District Budget Report. There were no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the Profit and Loss Detail Report for evidence of new restricted receipts requiring a new fund during December 31, 2017 and 2016. We also inquired of management regarding whether the District received new restricted receipts. We observed no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the District to establish a new fund.
7. For funds existing in prior years, inspect the fund activity to determine whether the fund is still being used for the statutorily approved purpose and that all the required funds were established. All the required funds were established and no funds for which the statutorily approved purpose was no longer valid were included on the accounting records.
8. We inquired of management and inspected the Profit and Loss Report to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. The District did not establish these reserves.

**Compliance – Budgetary (Continued)**

9. We inspected the Balance Sheet for the years ended December 31, 2017 and 2016 for negative cash fund balances. Ohio Rev. Code Section 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. There were no funds having negative cash fund balances.

**Other Compliance**

Ohio Rev. Code Section 117.38 requires Districts to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the District's deadline where the initial filing was filed on time but incomplete. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy, within the allotted timeframe for the years ended December 31, 2017 and 2016 in the Hinkle system. There were no exceptions.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is to provide assistance in it's the evaluation of the District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

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# Dave Yost • Auditor of State

**FREDERICKTOWN COMMUNITY FIRE DISTRICT**

**KNOX COUNTY**

## **CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 2, 2018**